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Foreign Crops and MARKETS

VOLUME 57 NUMBER 15

WORLD COTTON TRADE (Page 278).

LATE NEWS (Page 277)

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FOR RELEASE

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UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

LATE NEWS

The 1948-49 Philippine rice crop is tentatively forecast at 119,000,000 bushels of rough rice compared with 113,000,000 bushels in the preceding year and an average of 110,000,000 bushels during the prewar (1936-37/40-41) years. The acreage is estimated at 5,130,000 to 5,190,000 acres, one of the largest on record. The crop is reported to be making satisfactory progress.

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Declared exports of shelled Brazil nuts to the United States during September totalled 734,850 pounds, valued at $278,203.38, while unshelled exports totalled 555,000 pounds, valued at $73,280.22. Declared exports for August were 240,900 pounds of shelled, valued at $87,955.07, and 2,587,788 pounds of unshelled valued at $311,135.36. All values are f.o.b. Brazilian ports.

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According to Canadian sources, there were 14,900 slaughter and feeder cattle exported to the United States for the week ending October 6. The total exported to the United States since the lifting of the embargo is 117,514 head, excluding calves. Sheep and lambs exported to this country for the week ending September 29 reached 1,153 head, for a total of 10,296 head since removal of controls August 3.

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CORRECTION

Imports of coffee into the United States from Ethiopia reported as 296,000 bags from January through July 1948 and 217,000 bags for all of 1947 in the October 4, 1948, issue of Foreign Crops and Markets, in the article entitled "Ethiopia Exporting More Coffee in 1948", should read 29,600 bags and 21,700 bags respectively.

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(Continued on Page 292)

WORLD COTTON TRADE RECEDES FROM POSTWAR PEAK

World cotton exports of 8.9 million bales (of 500 pounds gross weight) in the 1947-48 marketing year (August 1-July 31) were 7 percent less than the postwar peak of 9.3 million bales exported in 1946-47. Exports during the 5 prewar years ended July 31, 1939, averaged 13,354,000 bales.

The decrease of nearly 700,000 bales in 1947-48 (after deducting the 230,000 bales exported from Pakistan to India) is attributed mainly to a growing scarcity of foreign exchange and the existence of heavy stocks accumulated in the previous year in importing countries. Exports from the United States of 2.0 million bales were only about half of the 3.6 million bales exported in 1946-47. Egypt exported 1.6 million bales, Brazil 1.0 million, and India 0.9 million. In 1946-47 Egypt exported 1.5 million bales, Brazil 1.5 million, and India 0.7 million.

World export trade in 1948-49 may be expected to increase by at least 500,000 bales over 1947-48 if export programs planned are successfully carried out. This would consist of a 2 million-bale increase in the United States exports, offset in part by a decrease of 1.0 to 1.5 million bales from foreign countries where stocks are much smaller than they were a year ago.

Stocks are low in nearly all of the importing countries, while consumption is generally maintained at last year's level. Foreign exchange difficulties still exist in most of them but a slightly higher level of international trade in cotton may be maintained this year through the ECA program for western Europe, the China aid program, and the continued shipment of cotton to the occupied countries (Japan, Korea, and Germany) on a processing and compensation basis. Also, the barter arrangements entered into by Egypt, Brazil, India, Pakistan, and Argentina with various European countries, China, and Japan involving the exchange of cotton for cotton goods and other commodities should enable these countries (except Egypt) to dispose of the greater part of the smaller surpluses available for export this year. More cotton will be available from the United States this year than there was in 1946-47 because of the large 1948 crop.

The probable increase in world cotton export trade, however, is limited to some extent by the fact that exporting countries other than the United States, Egypt, India, and Brazil carried over relatively small old-crop stocks into the present year. Those in India and probably the Soviet Union were little above the minimum working stock level and could not contribute much toward the surplus for export this year. Export surpluses in the medium and smaller exporting countries this year will depend almost entirely on what quantities are available from crops being picked in 1948-49.

This is one of a series of regularly scheduled reports on world agricultural trade approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, and Charles H. Barber.

(Table on following page)

COTTON: World exports by countries of origin
(In bales of 500 pounds gross weight)

Country	Year beginning August 1						
	1941	1942	1943	1944	1945	1946	1947 a/
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
North America:							
Mexico	25	26	31	125	263	204	326
United States	1,162	1,498	1,146	1,909	3,678	3,640	2,025
Others	23	22	31	13	29	7	24
Total	1,210	1,546	1,208	2,047	3,970	3,851	2,375
Asia:							
China	220	325	74	40	0	b/	0
India	841	134	277	317	850	683	900
Pakistan c/	-	-	-	-	-	-	d/ 971
Iran	22	0	b/	b/	b/	9	2
Iraq e/	21	6	7	0	0	1	2
Turkey	50	50	36	34	b/	1	5
Others	80	99	112	75	45	14	37
Total	1,234	614	506	466	895	708	d/ 1,917
South America:							
Argentina	b/	15	47	43	125	58	0
Brazil	856	452	533	461	1,462	1,517	1,036
Paraguay	23	26	e/ 26	e/ 30	40	50	31
Peru	217	141	153	156	425	366	280
Others	b/	b/	b/	0	0	0	0
Total	1,096	634	759	690	2,052	1,991	1,347
Africa:							
Anglo-Egyptian Sudan	449	74	295	330	280	249	200
Angola e/	20	24	12	26	20	33	25
Belgian Congo e/	118	149	191	138	171	220	206
British East Africa e/	372	248	145	195	269	212	247
Egypt	1,107	384	794	804	862	1,467	1,567
French Equatorial Africa e/	78	77	42	77	88	109	93
French West Africa e/	18	18	b/	14	11	7	6
Mozambique e/	31	66	71	100	110	80	90
Nigeria e/	48	87	34	20	5	31	30
Others	4	5	8	12	8	5	5
Total	2,245	1,132	1,592	1,726	1,814	2,413	2,469
Other countries f/	11	4	1	0	401	350	750
World total	5,796	3,930	4,066	4,929	9,132	9,313	d/ 8,858

a/ Preliminary. b/ Less than 500 bales. c/ Reported separately for the first time for 1947-48. d/ Includes about 230,000 bales of exports from Pakistan to India. In earlier years this movement was internal trade. To this extent Asia and world totals in 1947-48 are not comparable with earlier years. e/ Calendar years. f/ Mostly U.S.S.R.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics, reports of United States Foreign Service officers, results of office research and other information.

COMMODITY DEVELOPMENTS

TROPICAL PRODUCTS

MADAGASCAR'S COFFEE PRODUCTION LOWER

The 1948 coffee crop in Madagascar, estimated at 317,000 bags of 132 pounds each, is larger than the 1947 harvest of about 285,000 bags but much below the 1935-39 annual average of 537,000 bags.

Harvesting of the 1947 crop was curtailed as a result of the rebellion when European colonists were obliged to seek refuge in the cities, and rebel bands prevented peaceable natives from harvesting their crops. Although the political situation has improved, unsettled conditions prevented normal harvesting of the 1948 coffee crop, the bulk of which is picked from May through September, according to a report from the American Consulate in Tananarive.

During the first 6 months of 1948 Madagascar exported 172,000 bags of coffee. The 1947 and 1946 exports, which apparently included substantial quantities of old-crop coffee, were 489,000 and 372,000 bags respectively. At the present time, exports of Madagascar coffee are restricted by decree to France and French territories, except by special authorization. The exportation of 1,700 bags of Arabica (the most highly valued type), to other than French territory was recently authorized, and will be the first shipment of its kind in 1948.

Several species of coffee are grown in Madagascar. The most important, known as Kouilou, is a variety of Coffea canephora. C. liberica and C. arabica also are grown, but on a much smaller scale. The first coffee grown in Madagascar was Arabica, but the trees were almost entirely destroyed from 1880-1885 by attacks of the leaf disease, Hemileia vastatrix. Trees more resistant to the disease, including varieties of Canephora, Liberica, and Robusta then were introduced. Today the cultivation of Arabica is confined to plateaus in central Madagascar where soil and climatic conditions are especially favorable. The other varieties from which the bulk of the production is obtained are grown along the east coast from Vohemar to Vangaindrano. The total area in coffee is approximately 284,000 acres, over three-fourths of which are in the hands of natives.

GOLD COAST CACAO CROP LARGER

The 1948-49 main cacao crop in the Gold Coast is forecast at 484,000,000 pounds which would be larger than the 1947-48 main crop of 457,000,000 pounds. Weather conditions have been favorable for cacao this season so that in spite of the ravages of swollen-shoot disease, the 1948-49 main crop is expected to exceed the previous one, according to a report from the American Consulate at Accra.

The Gold Coast Marketing Board has announced that the minimum price to be paid the cacao farmer during the season beginning October 1, 1948 shall be 65 shillings ($US13.10) per head-load of 60 pounds, compared with 40 shillings ($US8.06) for the 1947-48 main crop.

ANOTHER SMALL CLOVE CROP
FORECAST IN ZANZIBAR

The 1948-49 clove crop in Zanzibar and Pemba is forecast between 14,000 pounds and 17,500,000 pounds. This would be larger than the small 1947-48 outturn of 10,916,000 pounds, but considerably below the 1935-39 annual average of about 20,000,000 pounds.

During the quarter ended June 30, 1948, 336,000 pounds of cloves were exported to the Netherlands Indies. This marks the first shipment to this destination since the early part of the War. The Netherlands Indies was formerly the most important market for Zanzibar cloves. India and the Straits Settlements now take the bulk of Zanzibar's clove exports.

The Clove Growers Association increased its guaranteed minimum buying prices, effective July 1, 1948, by 5 shillings ($US1.02) per 100 pounds of cloves for all grades. The previous minimum price for 100 pounds of cloves, fair quality, was 47 shillings ($US9.55), and the new price is 52 shillings ($US10.57).

LIVESTOCK AND ANIMAL PRODUCTS

WORLD OUTPUT OF DAIRY PRODUCTS
SECOND QUARTER, 1948

Production of manufactured dairy products in the second quarter of 1948 dropped slightly below that of a year ago. The largest decrease was evidenced in butter, with somewhat smaller decreases in canned milk and cheese. Among the 4 important dairy products manufactured for human consumption, only dried milk showed an increase in the second quarter.

Although milk production in this period was higher in several countries, the increased output was offset by a smaller volume in some of the normally heavier producing countries. Dairy cows in the Netherlands were in noticeably better condition, and an unusually mild winter and spring, combined with ample early pasture, resulted in a heavier milk flow. In France, where exceptionally favorable conditions prevailed, total milk production reached a level of about 1 percent above the same quarter a year ago. Other conditions, however, brought about an 11 percent decline in commercialized production of all dairy products. This reduction is attributed to increased diversion of dairy products to illegal channels, inadequate official prices, and some organized farmer resistance to making deliveries at the official prices. Milk production in Canada was about 3.5 percent below that of the second quarter of 1947 as a result of lower cow numbers and lower yield per cow. In the United States also, milk production in these months was below that of a year ago. Although milk production per cow was still at record levels, the number of milk cows continued to decline.

Butter production in the April-June quarter of the current year showed the greatest decline of any of the manufactured dairy products, the general level of output being about 93 percent of the comparable quarter of 1947. This decrease was largely attributable to the smaller output of the chief producing countries, Canada and the United States in this hemisphere, Australia and New Zealand in the Southern Hemisphere.

Among the countries in which increases did occur in the second quarter was the Union of South Africa where production was 36 percent above a year ago and greater than at any previous time for the same period. In the Netherlands, producing conditions were better than in several years, and butter production in this quarter was 30 percent greater than that of the corresponding months of 1947. Eire was the only other country in which there was a second quarter increase, output there being 14 percent higher than that of a year ago. In New Zealand, where the downward trend in butterfat production continued through the second quarter, the output of butter in this period was lower than last year. In Australia, largely due to the effects of the dry weather in Victoria and South Australia, production in the quarter ending in June, 1948, was less than in the corresponding quarter of the two previous seasons. Butter production in Canada was down in this period, being 2 percent below that of a year ago. In the United States, where milk production continued downward, and consumption of fluid milk and cream continued high, the output of butter dropped 13 percent below the second quarter last year. Milk production in Denmark in these months was below the comparable months of 1947, and butter production showed a 5 percent decline. Other decreases also occurred in France, Sweden, Switzerland, and the United Kingdom.

Cheese production in the quarter under review lagged behind that of a year ago, although gains occurred in many countries in the 1948 period. Output in the Netherlands amounted to more than 75 million pounds, compared with approximately 54 million pounds in the same quarter of 1947, an increase of 38 percent. Production in Switzerland was also larger in the April-June quarter, being 16 percent greater than in the same months of 1947. In the Union of South Africa, cheese production increased 10 percent in this quarter and also marked the highest level of production for any comparable period. Other countries in which increases occurred were the United Kingdom, Sweden and France. Several of the important producing countries for which figures were available showed a decline in cheese production in this quarter. Among these was the United States, where output dropped to 87 percent of last year, accounted for by the sharp drop in Cheddar cheese production, which makes up the greater portion of total cheeses produced in this country. Canada's output of cheese in this quarter was only 73 percent of a year ago. Production also was down in Australia, New Zealand and Denmark.

Canned milk production declined to a lesser degree than any other dairy product manufactured in this quarter. Canada was the only one of the major producing countries in which the output of canned milk in this quarter was above that of last year. The increase amounted to 17 percent. Other countries reporting gains in this same period were the Netherlands, the United Kingdom and France. In the United States, the production of canned milk, like that of other manufactured dairy products, reflected the continued heavy use of fluid milk and cream for direct consumption. The output of canned milk manufactured in this quarter

DAIRY PRODUCTS: Output in principal producing and exporting countries, second quarter (calendar) 1948, with comparisons

Country and product	Average 1934-38	Total 1947	1947			1948		2nd quarter 1948/1947
			2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Butter a/								
Canada	248,119	290,841	95,236	112,493	52,368	28,410	93,531	98
United States	1,673,328 b/	1,332,083 b/	422,541 b/	368,527	235,600	246,165	368,275	87
Belgium	46,179 c/	54,937 c/	18,007 c/	16,114 c/	10,498	-	-	-
Denmark	400,660 b/	276,637	82,232	72,531	58,422	53,572	77,823	95
Eire	89,400 b/	57,968 b/	16,398	26,480	13,289 b/	2,412	18,758	114
France	d/e/444,888	187,195	61,444	56,720	33,618 b/	26,808	56,766	92
Germany	792,000	-	-	-	-	-	-	-
Netherlands	201,000	115,642	39,630	39,851	22,021	19,292	51,559	130
Norway	24,930	17,558	6,463	5,106	3,028	3,355	-	-
Sweden	151,309	209,340	60,138	59,398	41,920	41,242	56,859	94
Switzerland	62,170	32,628	8,887	9,326	7,638	5,933	7,507	84
United Kingdom	44,200	15,412	6,586	5,152	1,837	1,792	6,541	99
Argentina	65,742	112,700	25,957	19,119	33,457 b/	35,864	-	-
Union of South Africa	27,725	37,642	8,268	6,634	11,389 b/	17,051	11,224	136
Australia	f/ 437,032	340,157	62,422	65,999	123,746	104,263	58,314	93
New Zealand - total	g/ 366,049	344,485	36,557	54,878	149,584	-	-	-
Export gradings	h/ 314,753 b/	304,347 b/	29,649 b/	43,902	137,453	91,562	22,234	75
Cheese i/								
Canada	114,699	119,703	42,233	56,396	15,525	3,697	30,946	73
United States	643,234 b/	1,203,633 b/	411,081 b/	337,135	204,505 b/	209,935	357,520	87
Denmark	68,820	126,322	41,888	39,902	20,943	16,755	41,226	98
France	d/e/363,098	244,623	86,824	72,796	41,140 b/	40,598	87,911	101
Italy j/	523,518	-	-	-	-	-	-	-
Netherlands k/	266,549	140,797	54,385	49,200	27,064	16,845	75,074	138
Norway	39,067	24,259	10,421	7,520	2,701	3,886	-	-
Sweden	71,269	105,137	35,331	29,080	17,362	23,995	36,281	103
Switzerland	111,729	85,979	26,235	31,415	19,960	12,326	30,432	116
United Kingdom k/	109,000	36,916	9,677	19,802	2,912	5,690	18,816	194
Argentina	67,873 b/	194,481	42,708	37,123 b/	61,506 b/	61,447	-	-
Union of South Africa	10,195	17,619	3,679	3,690	5,534 b/	6,073	4,058	110
Australia	f/ 49,111	96,235	16,462	21,614	37,511	21,721	11,467	70
New Zealand - total	g/ 201,272	208,410	22,847	27,306	91,281	-	-	-
Export gradings	h/ 194,175 b/	195,416 b/	28,860	14,796	83,030	64,531	23,108	80

DAIRY PRODUCTS: Output in principal producing and exporting countries, second quarter (calendar) 1948, with comparisons

Country and product	Average 1934-38	Total 1947	1947			1948		2nd quarter 1948/1947
			2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Canned milk								
Canada 1/	92,377 b/	249,312 b/	83,783	81,777	46,384	34,945	98,059	117
United States 1/	2,469,535	4,470,635	1,628,730	1,164,065	725,720	840,425	1,545,388	95
Cuba	e/ 32,564	31,362	7,033	11,963	7,971	4,338	5,326	76
Denmark	40,785	-	-	-	-	-	-	-
France	m/ 28,953 b/	45,086 b/	17,301 b/	14,496	5,922	4,304	17,820	103
Netherlands	304,896	79,562	24,986	29,455	17,363	10,443	46,896	188
Switzerland	14,198	15,319	5,756	4,951	2,840	-	-	-
United Kingdom	378,560	131,174	71,680	30,284	15,322	24,909	86,106	120
Argentina	-	12,642	1,873	3,013	4,610	4,171	-	-
Australia	f/ 38,867	124,171	19,089	28,023	52,027	36,336	16,329	86
New Zealand	e/ 11,273 b/ n/	-	-	-	-	-	-	-
Dried milk o/								
Canada	23,488 b/	69,640	23,976 b/	24,271	11,862	7,773	28,840	120
United States	e/ 203,555	838,250	304,450	215,345	119,125	166,440	294,120	97
Belgium	5,500	5,509	-	-	-	-	-	-
Denmark	2,205	-	-	-	-	-	-	-
France	m/ 7,685	2,618	701	736	704	864	1,237	176
Netherlands	56,438	34,791	14,101	16,126	4,560	1,781	26,372	187
Sweden	1,351	23,382	7,224	6,709	3,790	5,095	-	-
Switzerland	2,381	5,693	1,995	1,476	1,207	-	-	-
United Kingdom	33,600	55,372	22,310	16,845	13,081	22,669	31,539	141
Argentina	p/ - b/	17,637	3,202	3,357 b/	6,195 b/	5,838	-	-
Australia	f/ 16,971 q/ r/	63,465 q/	11,369 q/	13,646 q/	24,373 q/	17,048 q/	9,251	81
New Zealand	s/ 17,429 b/ n/	-	-	-	-	-	-	-

a/ Creamery butter. b/ Revised. c/ These figures represent controlled production of butter. d/ Total production. e/ Less than a 5-year average. f/ Production year beginning July 1. g/ Production year beginning, April 1. h/ Marketing year beginning August 1. i/ Factory cheese. j/ Total cheese, and includes cheese made from the milk of sheep and goats. k/ Includes farm cheese. l/ Both bulk and case goods. m/ For 1937 only. n/ Canned and dried milk reported at 65,924,000 pounds for 1947. o/ Total dried-whole and dried-skim milk for human consumption. p/ Quantity small. q/ Includes infants' food, health beverages, etc. r/ Production of dried-whole and dried-skim milk was 44,256,000 pounds in 1947. s/ For 1938 only.

Office of Foreign Agricultural Relations. Prepared from official statistics, United States Foreign Service reports, and other information.

was 95 percent of the amount produced in the corresponding quarter of the preceding year. Unusually dry weather in Cuba had the usual adverse effect on milk supplies, seriously curtailing milk receipts at the condenseries. In the second quarter of 1948, canned milk production was only 76 percent of the comparable period of 1947. Output in Australia, the only other country for which figures for this period were available, also declined below the 1947 level.

Dried milk production improved generally in the second quarter of 1948, the overall output being about 4 percent above that of the same period a year ago. Countries reporting increases were France, the Netherlands, the United Kingdom and Canada. In the United States, production was 97 percent of that of the second quarter of 1947. This decrease was accounted for by the lower output of non-fat solids which make up the major portion of this country's dried milk. Australia reported production in this quarter at 81 percent of the corresponding quarter of 1947.

Current Conditions Abroad - Copenhagen: - Adequate rainfall in July and August improved the prospects for increased milk production in the third quarter of 1948, and output may equal or slightly exceed that of the same period of 1947. The excellent condition of all root and feed crops, compared to 1947, indicates an improved feed situation for the winter.

Paris:- The increase in the milk price to farmers, effective on September 1, is expected to augment the commercial manufacture of dairy products during the winter period of 1948-49.

Buenos Aires:- Recent dry conditions, together with heavy frosts, have set spring production back a full 3 weeks in most of the dairy production zones. Deterioration of pastures, resulting from lack of rain for the second consecutive year, has reduced the milk flow around 50 percent below normal in the provinces of Santa Fe and southern Cordoba, and approximately 30 percent in the province of Buenos Aires. Dairymen are offering supplementary dry feed to their herds in an effort to maintain the milk flow.

Sydney:- Favorable seasonal conditions now exist in the main districts of the three principal dairying States of Victoria, Queensland and New South Wales, and the outlook for production in the second half of 1948 is good.

Wellington:- The downward trend in butterfat production, under way since January, was reversed in July, the final month of the production year. July production showed a marked increase over a year ago, attributable to the very mild weather that enabled pastures to make a rapid recovery from the effects of the autumn drought, and produced favorable prospects for the current year.

Prepared by Regina M. Murray, based largely upon reports from U. S. Foreign Service Officers.

FATS AND OILS

BRAZIL'S VEGETABLE-OIL SITUATION IMPROVED 1/

Brazil's 1948 vegetable-oil situation is greatly improved over that of the past 2 years, according to reports from the American Embassy, Rio de Janeiro.

The outstanding feature of this season's position is the substantial shift which occurred in 1947-48 from cotton to peanuts and other crops in the State of Sao Paulo. As a result of 3 consecutive years of poor cotton yields, combined with relatively low cotton prices compared with prices of competing products, the cotton area in Sao Paulo was reduced from nearly 3.5 million acres in 1946-47 to about 2.1 million in 1947-48. However, the yield per acre was 47 percent greater this year than in 1946-47, and Sao Paulo's commercial cottonseed production was reduced only 64,000 short tons or 17 percent.

Peanuts, on the other hand, at the Sao Paulo price of 100 to 108 cruzeiros per bag of 25 kilograms ($192-$208 per short ton) which existed at planting time a year ago, gave promise of being a very profitable crop; growers were encouraged to increase the production of peanuts by the Government and the vegetable-oil industry, which, because of the shortage of cottonseed, was faced with the prospect of operating at well below capacity unless an expansion in the production of peanuts could be promoted. In many cases the operators furnished the growers with seed for planting and credit to cover production costs.

As a result of these factors, the peanut area was greatly expanded, and production in Sao Paulo increased from 42,000 tons in 1947 to almost 215,000 in 1948. The total for all Brazil is estimated at 222,000 tons. The oil equivalent of this year's cottonseed and peanut crops, the major sources of edible oil consumed in Brazil, is estimated to be about 40 percent greater than in 1947 or 1946.

A new record production of 215,000 tons is expected for castor-beans this year. Last year's production is officially estimated at 159,000 (revised) and the largest crop in earlier years was the 204,000 tons produced in 1944. Much of the expansion in this year's crop occurred in Sao Paulo where production increased from 53,500 tons (revised) in 1947 to 86,400 this year. As a result of the very high prices ruling for castor-beans last year (an average of 3.54 cruzeiros per kilogram or $175 per ton and an all-time high of 4.80 cruzeiros or $237 in March - Sao Paulo Exchange), farmers devoted an increased area of land to this crop.

Contrary to earlier forecasts, the production of babassu kernels in 1947-48 (the collecting season extends from September to March) is now believed to have exceeded that of a year ago by about 20 percent. Output is now placed at 66,000 tons.

1/ A more extensive statement may be obtained from the Office of Foreign Agricultural Relations.

Production of soybeans in Rio Grande do Sul has increased substantially in the past 2 years. Trade sources estimate this year's crop at 18,700 tons (624,600 bushels) compared with 13,200 tons (440,900 bushels) a year ago. These figures far exceed the official ones which are believed to be too low. The sesame crop, although relatively unimportant in the total vegetable-oil picture, has also increased significantly, the 1948 outturn being unofficially estimated at 6,000 tons.

The flaxseed crop, which is practically all used domestically, appears to be returning to normal prewar proportions after the expansion which occurred during the war. Production this year is estimated at 16,500 tons (590,500 bushels) or approximately the same as the 1947 crop (revised from earlier estimates).

BRAZIL: Production of specified oilseeds, 1948 with comparisons

Commodity	Average 1935-39	1946	1947	1948 a/
	Short tons	Short tons	Short tons	Short tons
Cottonseed b/	987,435	621,697	622,800	556,622
Castorbeans	148,015	157,632	c/ 159,471	c/ 214,948
Babassu kernels	46,246	56,818	c/ 55,115	c/ 66,138
Peanuts	d/ 14,761	34,506	45,180	222,213
Oiticica seed	e/ 23,924	35,342	16,534	41,887
Flaxseed	-	24,251	16,534	16,534
Sesame seed	-	-	2,116	6,324
Soybeans	-	4,409	f/ 13,228	f/ 18,739
Tucum nuts	g/ 3,108	11,023	11,023	9,370
Tung nuts	430	5,003	6,713	7,716

a/ Preliminary. b/ Commercial production. c/ Revised. d/ 1939 only e/ 1937-39. f/ Rio Grande do Sul only. g/ Exports.

American Embassy, Rio de Janeiro.

The low point in the 4-year production cycle which is characteristic of the oiticica crop was reached in 1947 when it is estimated that production amounted to only 16,500 tons. The 1948 crop, estimated at 42,000 tons, is one of the best on record. Collection of tucum nuts decreased from an estimated 11,000 tons in 1947 to 9,000 this year. Tung-nut production increased from 6,700 tons a year ago to 7,700 this year.

Oil Production

Cottonseed oil production in Sao Paulo is expected to reach the lowest since 1935, but as a result of the high prices ruling for cottonseed and oil, it is probable that a smaller than normal proportion of the cottonseed crop in northeastern Brazil will be used as cattle feed and fertilizer. Total production of cottonseed oil in 1948 is expected to approximate 55,000 tons.

In Sao Paulo where the available cottonseed will utilize less than half the existing oil extracting capacity, the oil mills are supplementing their normal activity with the processing of peanut oil. As this year's large peanut crop resulted, to a considerable degree, from the initiative of the oil-mill operators, it is expected that the bulk of the crop will be crushed in Brazil, unless unforeseen changes occur in the relationship between the prices of peanuts and oil. Production of oil from the crop may reach 38,600 to 44,000 tons.

Production of castor oil is expected to be 1,000 to 2,000 tons less than the estimated 13,000 tons produced in 1947. Virtually all of Brazil's oiticica crop is processed in the country, and the bulk of the oil is exported. This year's large crop of seed is expected to produce 19,800 tons of oil. As in previous years the flaxseed and tung-nut crops will be processed in Brazil and consumed domestically.

BRAZIL: Exports of specified oilseeds and oils, January-June 1948 with comparisons

Commodity	Average 1935-39	1946	1947	Jan.-June 1947	Jan.-June 1948 a/
	Short tons	Short tons	Short tons	Short tons	Short tons
Cottonseed oil	24,842	5,958	7,299	1,687	5,571
Castor-beans	120,082	109,590	185,790	68,871	70,792
Castor oil	332	7,405	6,906	3,952	2,409
Babassu kernels	31,254	14,101	12,983	10,822	18,430
Babassu oil	215	1,102	893	518	931
Oiticica oil	4,292	16,000	5,926	2,651	5,820
Tucum nuts	3,108	7,786	10,464	9,041	4,098
Murumuru nuts	1,949	246	50	50	-
Murumuru oil	-	0	254	-	276
Copaiba oil	b/ 179	89	104	76	20
Ucuuba tallow	453	291	489	142	1
Unspecified oilseeds	67	51	3	-	1
Unspecified oils	3	2,537	595	454	1,279

a/ Preliminary. b/ 1937-39.

American Embassy, Rio de Janeiro.

Outlook

The outlook is favorable for an increased area of cotton in Sao Paulo for harvest in 1949 and, in the event of average growing conditions, an increased production of cottonseed. Prices of both cotton and cottonseed are above those prevailing a year ago at planting time. It is considered possible that next year's crop of cottonseed may be over 100,000 tons greater than this year's crop of 312,000 tons. In the Northeast, production of cotton and cottonseed appears to be less sensitive to price fluctuations than in Sao Paulo, and a normal crop of around 220,000 tons of seed is to be expected.

The prospect for peanuts, on the other hand, is for a substantial decrease in acreage and production in 1949. Growers are now receiving not more than 60 percent of the price which they had been led to expect, and their disillusionment is certain to lead to a reaction against this crop.

The castor-bean output in Sao Paulo is also expected to decrease in 1949 as a result of the decrease in the price of castor-beans during the past year. In the Northeast, where a large proportion of the crop is collected from wild plants, collection of the beans will probably be adversely affected also, should the downward trend in prices be continued in 1949.

Reports from the North indicate that 1949 will be another good year for oiticica. The present good price for babassu kernels gives reason to believe that collections during the season which is now beginning may equal the estimated 66,000 tons collected in 1947-48.

URUGUAYAN GOVERNMENT TO RESUME FLAXSEED EXPORTS

The Uruguayan Government recently revised its export policy and has authorized the shipment of 10,000 metric tons (393,700 bushels) of flaxseed, according to a report from Hubert Maness, Agricultural Attache, American Embassy, Montevideo. The price is not stipulated but is subject to the approval of the Export-Import Control Board. It is believed, however, that flaxseed will be offered to the highest bidder at world market prices.

During the past few years the exportation of flaxseed has been discouraged in order to protect local processing plants. A reversal of this policy came about due to the accumulation of large stocks of from 35,000 to 40,000 tons (1.4 million to 1.6 million bushels) of flaxseed, most of which is still held in the interior by farmers and middlemen. Although the Government is committed to purchase the entire 1947-48 crop at an average of 340 pesos per ton ($4.55 per bushel converted at the rate of exchange existing when the price was fixed) of seed delivered to the mills, the seed is not moving to Montevideo because there is little or no export outlet for linseed oil.

The loss of the linseed oil market is rather serious for Uruguay. In 1946 exports of linseed oil and by-products amounted to approximately 19 million U.S. dollars and in 1947 to 25 million. This represents more than 10 percent of total exports.

The first official forecast for 1948-49 flaxseed is 445,000 acres, compared with 464,000 final a year ago.

URUGUAY ANTICIPATES LARGER EDIBLE-OIL OUTPUT

Preparations are underway for the planting of sunflower seed and peanuts in Uruguay, but it is too early for an estimate of the acreage. The domestic price of sunflower and peanut oils is very good and will probably encourage farmers to plant an acreage as great as or greater than that of last year.

During the past few years the increase in the area of sunflower and peanuts has been remarkable and was primarily brought about to supply the demand for cooking oils for domestic consumption. It is interesting to note that Uruguayans, who are mainly descended from Mediterranean peoples, prefer oils to solid fats. Formerly they preferred olive oil, but in recent years this has been replaced by peanut and sunflower oils, which sometimes are blended with olive oil.

Uruguay annually exports 3,000 to 4,000 short tons of edible tallow because the people prefer to cook with vegetable oils. Despite the fact that the price of cooking oils on the local market is about 50 percent higher than tallow, even the lower income group favors the former.

GRAINS, GRAIN PRODUCTS AND FEEDS

CANADA'S EXPORTABLE SUPPLY OF WHEAT INCREASED

Indications are that Canada will have more wheat for export in 1948-49 than the preceding year because of increased production in 1948. The second estimate of production is 391 million bushels, compared with 341 million bushels harvested a year ago. With a carry-over on July 31, 1948 of 76 million bushels added to this year's expected output, Canada's total supply is estimated at 467 million bushels.

Assuming domestic requirements to be 150 million bushels, and no change in carry-over stocks on July 31, 1949, there remain about 240 million bushels of wheat that may be available for export. Since the United Kingdom contract calls for 140 million bushels of Canadian wheat during the current crop year, about 100 million bushels will be available for other countries. This latter figure compares with 38 million bushels of wheat and wheat flour shipped to countries other than the United Kingdom during 1947-48, when 160 million bushels were earmarked for the United Kingdom.

Sale to India of 11.2 million bushels of Canadian wheat has been authorized by the Canadian Wheat Board, with shipment requested between November 1948 and July 1949. This will be the first substantial sale to India since 1945-46 when 26.7 million bushels were exported to that country. Only 2.3 million and 4.2 million bushels were exported to India in 1946-47 and 1947-48, respectively.

The sale of 7.5 million bushels of Canadian wheat to the Union of South Africa also has been authorized, with delivery specified between April and July 1949. This would be the first significant shipment of wheat to the Union of South Africa from Canada in recent years.

HIGHER PERCENTAGE OF DOMESTIC WHEAT REQUIRED IN BELGIAN BREAD

Effective September 26, Belgian millers are required to use 25 percent of domestic wheat, compared to the previous requirement of 10 percent. The change is based on the good Belgian wheat crop and is in line with a ministerial decree which controls the disposition of the crop and

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COTTON AND OTHER FIBER

Market location kind, and quality	Date 1948	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria		Kantar			
Ashmouni, Good	10-7	99.05 lbs.	Tallari	51.60	43.05
Ashmouni, F.G.F.	"	"	"	49.60	41.39
Karnak, Good,	"	"	"	74.80	62.41
Karnak, F.G.F.	"	"	"	(not	quoted)
Bombay		Candy			
Jarila, Fine	"	784 lbs.	Rupee	592.00	22.78
Broach, Fine	"	"	"	650.00	25.01
Kampala, East African	"	"	"	(not	available)
Karachi		Maund			
4F Punjba, S.G., Fine	10-6	82.28 lbs.	"	72.00	26.40
289F Sind, S.G., Fine	"	"	"	87.00	31.90
289F Punjab, S. G., Fine	"	"	"	96.00	35.20
Buenos Aires		Metric ton			
Type B	10-7	2204.6 lbs.	Peso	a/ 3180.00	42.95
Lima		Sp. quintal			
Tanguis, Type 5	10-5	101.4 lbs.	Sol	(not	quoted)
Pima, Type 1	"	"	"	285.00	43.33
Recife		Arroba			
Mata, Type 4	10-7	33.07 lbs.	Cruzeiro	165.00	27.15
Sertao, Type 5	"	"	"	175.00	28.79
Sao Paulo					
Sao Paulo, Type 5	"	"	"	189.00	31.09
Torreon		Sp. quintal			
Middling, 15/16"	"	101.4 lbs.	Peso	175.00	b/
Houston-Galveston-New Orleans av. Mid. 15/16"	"	Pound	Cent	XXXX	31.06

Quotations of foreign markets reported by cable. U.S. quotations from designated spot markets.

a/ Nominal.

b/ Official exchange rate temporarily omitted.

GRAINS, GRAIN PRODUCTS AND FEEDS
(Continued from Page 290)

requires that all domestic wheat be used for bread. In the General Agreement on Tariffs and Trade with the Benelux countries published by the United Nations in 1947, there is a provision that, "Not more than an average of 35 p.c. per annum of domestic wheat...shall be required to be mixed with imported wheat."

LATE NEWS

(Continued from Page 277)

Cuba has issued a decree extending the measure permitting the duty-free importation of fresh eggs until December 31, 1948. This decree is a continuation of an earlier one, several times renewed, the latest of which was due to expire on September 30. Importers will need specific authorization of the Ministry of Commerce to gain the benefits of this decree.

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Meat rationing in New Zealand was suspended on September 27. Butter and cream are the only food items which continue to be rationed.

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